



Ryan budget cuts spending \$4.6 trillion

By Erik Wasson - 03/11/13 08:31 PM ET

House Budget Committee Chairman Paul Ryan (R-Wis.) revealed Monday evening in an opinion [piece](#) in The Wall Street Journal that his latest budget plan will cut \$4.6 trillion in spending over ten years.

“House Republicans have a plan to change course. On Tuesday, we're introducing a budget that balances in 10 years—without raising taxes,” Ryan writes. “Under our proposal, the government spends no more than it collects in revenue—or 19.1% of gross domestic product each year. As a result, we'll spend \$4.6 trillion less over the next decade.”

The new House Republican budget is set to be unveiled on Tuesday and the op-ed does not fully spell out where the cuts come from.

Because Ryan is able to assume \$600 billion in tax revenue from the fiscal cliff deal and lower healthcare costs, the spending cuts are not much greater than in previous years.

Ryan said last week that the cuts in his budget would be measured against the committee's own adjusted baseline rather than that used by the Congressional Budget Office. CBO's new baseline assumes large war and disaster spending which Ryan said is a faulty assumption. Those items are cut in the baseline rather than in the budget. If included, the budget would appear to cut much more in spending.

The budget chairman argues that the proposal is not austere.

“Our opponents will shout austerity, but let's put this in perspective. On the current path, we'll spend \$46 trillion over the next 10 years. Under our proposal, we'll spend \$41 trillion. On the current path, spending will increase by 5 percent each year,” he writes.

He frankly admits that the purpose of balancing the budget is to shrink the government.

“Government is trying to do too much, and when government does too much, it doesn't do anything well. So a balanced budget is a reasonable goal, because it returns government to its proper limits and focus. By curbing government's overreach, our budget will give families the space they need to thrive,” Ryan says.

He also argues that his budget will help economic growth.

“Smaller deficits will keep interest rates low, which will help small businesses to expand and hire,” he says.

As in past years, Ryan's budget urges approval of the Keystone XL pipeline, and will convert Medicare to an optional privatized system after the next ten years. Because of this seniors 55 and older will not be affected.

“The other side will demagogue this issue. But remember: Anyone who attacks our Medicare proposal without offering a credible alternative is complicit in the program's demise,” Ryan argues.

As was the case last year, Ryan said the budget will call for tax reform that eliminates loopholes to cut the seven individual tax brackets to just two: 10 percent and 25 percent.

“We House Republicans have done our part. We're offering a credible plan for all the country to see. We're outlining how to solve the greatest problems facing America today. Now we invite the president and Senate Democrats to join in the effort,” Ryan writes.

Source:

<http://thehill.com/blogs/on-the-money/budget/287503-new-ryan-budget-cuts-46-trillion-in-spending>

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